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CPW Report No. 16 -- COMMUNIST CHINA

(Mar. 31-Apr. 6, 1952)

SUMMARY

Broadcasts to the Chinese people during the week ending Apr. 6 showed unmistakably, both quantitatively and in subject matter, that the anticorruption drive was being brought to an end as rapidly as corruption cases could be settled. A statistical survey of regional broadcasts disclosed that 703 news items were contained in the 148 clear news programs monitored from 21 regional stations. Of this total, 162 items, approximately 23 percent, had to do with the anticorruption drive. This compares with 42 percent devoted to the drive in the week ending Mar. 9, with 58 percent in a survey made Feb. 24, and with 63 percent Feb. 10. Another subject now has taken precedence over the drive, for during the week 232 news items, approximately 33 percent of the total, were devoted to agriculture -- spring cultivation, drought prevention, production quotas, irrigation, insect control, and so forth.

Reports of confession and accusation meetings still were broadcast. However, the main purpose of the meetings apparently was to wring confessions from businessmen who already had been accused and therefore must confess in order to be pardoned. Pardons were granted at most of the meetings, although many victims were arrested because they stubbornly refused to admit their guilt. A secondary aim of the meetings seemingly was to get businessmen who had been pardoned or given lenient treatment to join more wholeheartedly in the five-anti's drive against bigger and more corrupt businessmen--the 5 percent mentioned by the Shanghai Mayor the previous week. Promises of reward for all-out effort to expose corruption during the drive were being fulfilled.

The special People's Tribunals suggested the previous week by Peking were organized in numerous places for rapid adjudication of corruption cases. The East China Military and Administrative Committee even went further and set up a "Tribunal Inspection Committee" to supervise the work of the People's Tribunals. Another new tool for rapid adjudication was adopted by Tientsin in the form of a "technical committee" to study cases appealed from the Austerity Committee, make recommendations, and assemble "technical data," such as "statements of accounts," to be used as evidence.

In spite of severe punishment meted out to some offenders, broadcasts also reported some astounding instances of leniency. One Hangchow businessman was pardoned when he confessed to corruption amounting to 830 million yuan and refunded the money. Other evidence of appeasement of

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ANTIWASTE, ANTICORRUPTION, ANTIBUREAUCRACY

Confessions and Accusations. Dairen reported (Apr. 2) that local hardware shop clerks were promoting the anticorruption drive by exposing corrupt merchants. Hardware merchant Chou Ning-wu at first refused to confess, because he did not believe that his brother, Chou Si-chien, had exposed him. Hardware merchant Li Kuo-ching refused to confess until he was exposed by his accountant, Cheng Chi-wu. Tsinan announced (Mar. 31) that several persons were pardoned after they made full confessions and returned their embezzled funds at a rally of the Tsinan branch of the China Department Store. Two corrupt elements were arrested when they refused to confess. Tsinan added (Apr. 4) that the Government in Hsiao Hsien, Shantung, called a rally Mar. 30, when several corrupt elements were pardoned following confessions, while those who refused to confess were arrested.

Shanghai announced (Apr. 1) that 3,000 persons attended a rally called Mar. 31 by the Shanghai Austerity Committee "to conclude the first stage of the drive and start the second." Workers and clerks were urged to "intensify their efforts and not relax until all corrupt elements are rounded up." Nanchang said (Apr. 3) that a rally was held in Chintechen City, Kiangsi, Mar. 26, when several minor grafters were pardoned and six persons were arrested for refusal to confess. Tsinan reported (Apr. 3) that the Wuhan Bureau of the Construction Austerity Committee had organized women cadres and dependents of workers to uncover evidence against corrupt elements. Tsinan said (Apr. 6) that 20,000 workers attended a rally to hear members of the Chinese Volunteers accuse corrupt merchants of defrauding the Government on Army contracts and to hear clerks make accusations against corrupt shop owners.

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"capitalists" was apparent. Tientsin Mayor Huang Chin in a public statement warned that the drive "was not aimed to destroy private enterprise," spoke of the danger of "wounding friendships with heated accusations," and suggested that corrupt merchants might even be friends rather than enemies.

A new note injected into anticorruption drive broadcasts was the effort to regain funds taken from public organizations by corrupt elements. Peking outlined a Central Government directive calling for "restitution in principle," and repayment of funds, or even promises to repay, went a long way toward gaining lenient verdicts for offenders. Cadres were urged to see that corrupt elements repaid stolen funds, a new angle, for, as Wuhsi explained, "Many of the cadres had stopped when corrupt elements confessed, failing to ask for restitution."

Though concentration on businessmen was apparent, several important cases of corruption among officials were noted. Hangchow told of a 10-year prison term for one official who embezzled Resist-America, Aid-Korea donations and relief allotments for Army dependents. Wuhsi reported expulsion from the Party of a department head who had been a Communist for 10 years. Peking said that Ho Heng-fu, high official in the Central and South China Government, had been dismissed for corruption.

Complaints of economic dislocation as a result of the anticorruption drive were heard less frequently, and claims that the drive had promoted production were made more often. However, there still was considerable evidence of dislocation. Tsinan stated that the local Railway Bureau had sent 1,500 cadres out to "solicit business" from merchants and cooperatives. The Hangchow Austerity Committee was quoted as exhorting businessmen "to carry on business as usual regardless of their investigative status" and to "drop their wait-and-see attitude." State trading companies still were reported placing orders with private business to revive trade.

Famine and food shortages also were apparent, as well as a shortage of seed for spring sowing. Nanchang reported "40 percent of the villagers" in one Kiangsi hsien short of food, and Foochow, where evidences of trouble had been noted for weeks, said "relief had been rushed to 458 foodless families" in the city's suburbs. Worry over deficient warehouses and a resulting spoilage of scarce grain was reflected in several broadcasts.

With promotion of spring farming now the chief concern of the broadcasting system, some difficulties were noted. Farmers in one area failed to take delivery of fertilizer they had ordered "because they had no money." One office complained that the "peasants have not enough confidence." Some farmers were "afraid to make loans for fear of being upgraded." In one area of Fukien paddies were reported drying up, endangering the spring rice crop.

Mukden reported a campaign to "popularize horse-drawn implements" on farms, and said that the first ones manufactured in China were now in use. Tsinan told of plans to develop a whale and seal industry off Shantung shores.

Wuhan criticized land reform cadres in Hupeh for having no confidence in "poor and hired farmers," and announced that a land reform exhibition in Wuhan would "demonstrate the leadership of the Communist Party in the rise of the farming class." Resistance to the land reform program still was reported from Kiangsi and Yunnan, with Nanchang describing one Kiangsi community as a "reactionary stronghold."

The propaganda campaign against American use of bacteriological warfare seemed to be dying out. Reports of protests broadcast by the regional stations were few, and Peking made no new charges of germs dropped over China. A new type of broadcast was heard from Chungking when the names of 2 Szechwan soldiers in Korea who had been "gloriously martyred" were given, along with announcement of their awards and descriptions of their heroic exploits.

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Canton announced (Mar. 31) that the Canton Power Bureau sponsored an anticorruption exhibition Mar. 29 in the Palace of Culture. Canton declared (Apr. 2) that workers in the rice trade were getting organized, with 19 workers in the Kuanghsing Rice Mills already busy collecting information for use in making accusations. Canton added (Apr. 4) that "because of the huge attendance," the anticorruption exhibition sponsored by the Trade Control Office would be extended for 3 days, until Apr. 7. Kunming reported (Apr. 2) that Kunming shop clerks held a rally to urge "middle-class corrupt firms" to join in the drive and help assemble information for making accusations against big merchants.

Accomplishments and Rewards. Anshan announced (Mar. 31) that the local Youth Corps called a meeting to review the records of members who participated in the anticorruption drive, and honored 37, including Lan Erh, Lu Pi-hsiang, and Wei Ke-chung. Anshan added (Apr. 2) that the Anshan Federation of Labor held a symposium Mar. 30 to "exchange experiences" and promote the drive to a "successful end." Anshan reported (Apr. 4) that 200 workers recently graduated from a "workers' indoctrination class," and a second class had been started to "reveal the attacks of capitalists upon the working class." Anshan said (Apr. 6) that the Anshan textile mills Austerity Committee had reported that women took an active part in promoting the anticorruption drive by accusing their husbands and sons, and as a result "many active women cadres" emerged from the drive. Yu Lan-kuei made more than 700 accusations, after confessing to corruption herself, and encouraged many other women to make accusations. Chinchow (Apr. 4) quoted the local Austerity Committee as saying that 2,400 shop clerks and 130 Youth Corps members were engaged in making accusations in Chinchow. Tsinan announced (Apr. 2) that the Tsingtao office of the People's Bank reported the capture of two big tigers and five small tigers during a 3-day search for nine big tigers.

Shanghai reported (Apr. 1) that investigation teams in Shanghai had reported more than 60 serious cases of corruption in 3 days, including that of one merchant who hid his stolen property in an underground vault until he was exposed by a clerk. Shanghai said (Apr. 3) that senior clerks were taking part in the "third attack" upon major corrupt elements, with steel trade accountants Yen Seng-yung and Weng Ming-seng exposing tax evasions of their employers upon 280 million yuan worth of business. Shanghai added (Apr. 4) that workers had held a "monster parade" calling for a victorious conclusion to the second stage of the anticorruption drive, and had been joined by "corrupt merchants who were pardoned in the first stage and have now joined the struggle" to expose other merchants. Hangchow announced (Apr. 2) that the anticorruption drive had been "victoriously concluded" in the Hangkiang Textile Mills, where Party Secretary Li Chu-cheng led the drive and organized active cadres. A Party-worker rally was held in the mills to "accuse the leadership of bureaucracy" and urge cadres to work with the masses to wipe out corruption.

Yangchow announced (Mar. 31) that 52 shop clerks with "outstanding performances" during the anticorruption drive were initiated into the Youth Corps Mar. 27. Wuhsi reported (Apr. 1) that workers in the Wuhsien Flour Mills made 120 accusations, and that 80 percent of them joined the tiger hunt and achieved records both in tiger hunting and in promoting production. Kaifeng declared (Apr. 3) that the anticorruption drive was being promoted in the Honan Transportation Company, the Chengchow Power Factory, the Honan Machine Tool Factory, the No. 2 Tobacco Factory, and the Honan Post Office. Kaifeng reported (Apr. 4) that 50 Kaifeng workers listened to a broadcast of the trial of merchant Li Yu-cheng and his accomplices who killed a shop clerk, and then sent a letter to the broadcasting station expressing their determination to support the anticorruption drive.

Wuhan asserted (Apr. 3) that Canton clerks had made 100,000 accusations and "completed preliminary preparations for an intensive" anticorruption drive. The city Government had called a meeting of clerks to assure them of legal protection in making accusations. Canton declared (Mar. 31) that 296 active cadres took part in the anticorruption drive from the food processing industry and "made brilliant records." Canton said (Apr. 2) that more than 85 percent of Canton rice trade workers and their families took part in the anticorruption drive, accusing 90 merchants of embezzling 30 billion yuan. Canton clerks, who reported 90 percent of the corruption cases in the city, had produced 300 "active elements."

ADJUDICATION AND SETTLEMENT

Adjudication Machinery. Shanghai announced (Mar. 31) that the Nanking Government had called a meeting of all circles to make plans for organization of a People's Tribunal to adjudicate corruption cases in accordance with the recent Central People's Government directive. Shanghai

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added (Apr. 1) that on Mar. 31 the East China Military and Administrative Committee organized an East China Tribunal Inspection Committee to supervise the work of the People's Tribunals in the area under the chairmanship of Wei Wen-po. Hangchow reported (Apr. 5) that the city Government offices held a meeting Apr. 3 and organized five People's Courts to hear confessions and receive restitution. Nanchang said (Apr. 3) that the Kiangsi Communications Department had set up a People's Tribunal to handle anticorruption cases. On its first day the new court released seven, arrested two, and approved 61 promises for repayment of embezzled funds. Wuhan announced (Mar. 31) that the Wuhan People's Court had set up a "summary court" to adjudicate corruption cases, which had granted pardons, along with confessions and full restitution, to Hu Chin-fan, Chang Nai-i, Yang Ting-kuan, Tung Tzu-yu, Yeh Chin-fu, Chou Jen-ching, Li Wei-han, Wang Han-ching, Tang Wei-chin, Yeh Shu-chin, Chin Jih-ju, Yu Ken-ching, Shen Jih-an, Chao Tzu-cheng, Liang Shan-kang, Liang Shan-chang, and Liu Yao.

Peking announced in numeral code (Mar. 31) that the Tientsin Austerity Committee had ordered the organization of a "technical committee" to assist in adjudication of violations by businessmen, under the leadership of Wu Yen-nung and Tu Hsin-po. Subcommittees were to be organized at the chu level, each with an office and a staff of experts. The primary function of the new committee and the subcommittees was to study appeals from the Austerity Committee, propose settlements, and present technical information, such as statements of accounts, for use by the Austerity Committee in settling cases. At a meeting of all circles called by the Tientsin City Government, a People's Tribunal was organized in accordance with the recent Central People's Government directive. In addressing the meeting Mayor Huang Chin pointed out that the anticorruption drive was intended to "reform private enterprise and Government cadres and create a new social atmosphere in order to build a healthy State." He urged that leniency be granted corrupt merchants, warning that the drive "was not intended to destroy private enterprise," and touched upon the dangers of wounding friendships with "heated accusations," adding: "This is an internal struggle, and is entirely different from one toward our enemies."

Adjudication Procedures. Anshan announced (Mar. 31) that proceedings of the Anshan Austerity Committee, with public adjudication of corruption cases, would be broadcast Apr. 1. Anshan reported (Apr. 2) that the Austerity Committee had declared 108 firms law-abiding, 995 "basically law-abiding," 128 semi-law-abiding, and 6 non-law-abiding. Anshan added (Apr. 3) that the managers of the Yingmi Ironworks and the Chincheng and Fucheng Furniture Shops had "expressed their gratification" for Government generosity in pardoning them for their corrupt acts. Tsinan announced (Mar. 31) that the Tsingtao People's Tribunal had tried nine corrupt elements, including Chen Chia-tsun, Liu Yu-sen, and Huang Kuo-chai, pardoning two after confessions and restitution; sentencing two to 2 years of surveillance; sentencing three to 3-5 years in prison; and sentencing one to 5 years in prison for refusing to confess. Tsinan reported (Apr. 3) that the Tsingtao Austerity Committee had urged city firms to check upon each other and report violations, and said that the Workers Adjudication Committee had settled the cases of 1,090 firms. Tsinan said (Apr. 6) that the various Shantung Austerity Committees were implementing the Central Government directive on adjudication of corruption cases.

Shanghai reported (Apr. 1) that the Tsinan Austerity Committee had arrested 13 corrupt elements and passed sentence on 800 firms in the export-import, construction, lumber, and furniture trades, giving most of them lenient treatment. Shanghai said (Apr. 3) that the Shanghai Austerity Committee had called together 74 corrupt merchants to inform them that they "must redeem themselves by making accusations and increasing production." The Hangchow Austerity Committee on Mar. 29 classified 122 firms as serious lawbreakers and took steps to punish them, at the same time gathering evidence to indict another group of firms. These 122 constituted 60 percent of the non-law-abiding firms in Hangchow and were guilty of corruption amounting to 400 billion yuan. Hangchow reported (Apr. 1) that the local Austerity Committee had sent out 100 inspection teams to check on semi-law-abiding firms, uncovering corruption by 420 firms amounting to nearly a half billion yuan. The Chekiang Department of Trade called an adjudication meeting Mar. 21, when Chen Cheng was accused of corruption amounting to 830 million yuan and pardoned when he confessed and offered restitution; Wang Shou-chang of the Construction Department saw the error of his ways, confessed, and agreed to pay back 60 million yuan, and was pardoned; while Po Yen-po was arrested for refusing to confess and threatening those who accused him. At an adjudication meeting in Chungcheng Chu, Hengchow, Mar. 30, clerks and shop owners were asked to sign amity pacts and "work together to revive business." Wang Yang refused to confess, and was arrested for obstructing the anticorruption drive. Hangchow announced (Apr. 4) that the Hangchow People's Tribunal adjudicated 11 cases at a public hearing attended by 2,000 Mar. 27. Chou Tung-pao of the city Health Bureau and

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Yeh Chin-ying of the Civil Affairs Bureau were pardoned when they confessed and promised restitution.

Kaifeng reported (Apr. 4) that the local Austerity Committee had passed sentence upon 23 pharmacies and announced the pardoning of the manager of the Kuangchi Drug Store, who had been accused of corruption amounting to 140 millions, selling 92 kinds of fake drugs, and bribing 42 cadres in 32 offices. Wuhsi announced (Mar. 31) that the second batch of corrupt firms had been adjudicated in the city, with 29 semi-law-abiding firms given pardons and five given severe sentences for failing to confess. Yao Chung-seng, oil merchant, was fined heavily because he refused to confess to charges of evading 225 million yuan in taxes. Wuhsi stated (Apr. 3) that 4,000 workers in Wuhsien held a meeting to study the Central Government directive on adjudication of corruption cases. Some workers thought the principle laid down by the Central Government "too liberal," and felt it necessary to make a careful check of corrupt merchants so none could escape punishment.

Wuhan announced (Mar. 31) that the Central and South China Resist-America, Aid-Korea Association had called upon all local branches immediately to organize auditing committees to check on contributions handled by the groups, and to complete their checks by the end of May. All documents were to be sealed following inspection and reports made to the headquarters office, and all cases of corruption reported at once to the proper authorities. Wuhan reported (Apr. 1) that the city People's Tribunal for adjudicating corruption cases met Mar. 31 and passed sentence on 22 corrupt merchants. Sian announced (Mar. 31) that business circles in Sian held a meeting to "wind up outstanding corruption cases." Peking said in numeral code (Apr. 1) that in Sian adjudication of 90 percent of the city's business firms had been completed, leaving only the non-law-abiding firms, and the task of rounding up major corrupt merchants. Sian reported (Apr. 4) that the Lanchow Austerity Committee in March disposed of 9,900 corruption cases, which included 96 percent of the city's business houses.

Restitution of Funds. Peking announced in numeral code (Mar. 31) that the Central Government Austerity Committee had issued a 7-point directive on restitution of Government funds and public property by convicted corrupt elements. The directive demanded restitution in principle and set a scale for evaluation of embezzled funds and property, ordering further that funds taken from units of the Communist Party, the Youth Corps, cooperatives, the Resist-America, Aid-Korea Associations, tax bureaus, and other public organizations, be returned to the organizations. Local austerity committees were charged with implementing the directive, and local authorities given broad powers to adjudicate. Peking in numeral code (Apr. 2) quoted from an article in the JEN MIN JIH PAO, "Perfect the Work of Restitution," which called upon the masses to intensify their checks on corrupt elements and see that restitution was carried out.

Anshan reported (Apr. 5) that, "in order to take advantage of Government leniency," confessions and promises of restitution were made at a rally by merchants Li Wen-chu, Li Chien-ssu, Hua Chung-shang, Tan Te-jen, Li Chang-hsia, and Wang Yao-shi. Hangchow stated (Mar. 31) that pharmacist Chang Pai-liang had promised to repay the 50 million yuan taken by him through fraud, but many corrupt elements had refused to make repayments. Therefore the State Pharmaceutical Company was making an investigation to uncover funds of corrupt elements. Hangchow announced (Apr. 1) that in the Wenchow Special District, Chekiang, Cadre Chang Kuang-yung of the People's Bank confessed, returned the 100 million yuan taken, and was permitted to retain his post. Nine others confessed and made restitutions, 73 offered to confess, and 127 refused. Hangchow said (Apr. 5) that the city Government had issued a directive ordering corrupt elements to hand over stolen cash and valuables to the Austerity Committee, and urging the people to report any cases of evasion.

Hofei announced (Apr. 2) that 54 local firms accused of tax evasions had made good their shortages by Mar. 30. Yangchow reported (Apr. 3) that the North Kiangsu Party Committee met to hear a report on the "fifth tiger hunt," which started Apr. 2 and ends Apr. 15, and to discuss the drive to seek restitution of stolen funds and Government property. Wuhsi stated (Apr. 1) that the Wuhsien office of the People's Bank had called upon cadres to seek restitution from corrupt elements, as many of the cadres had stopped when the corrupt elements confessed, failing to ask for restitution. In some cases there had been resistance. For instance, Chen Kuen-lun's wife refused to let him repay the funds embezzled, and only after indoctrination did Yao Ta-yuan repay 300 ounces of silver and Chen Kuen-lun repay 60 ounces of gold and 100 silver dollars.

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Sian reported (Apr. 1) that 3,000 workers and their families on Mar. 27 attended a rally called by the Lunghai Railway Administration, when 100 persons made confessions and repaid 60 million yuan in order to take advantage of the promise of leniency made by the Sian People's Tribunal. Another 1.3 billion yuan was returned by corrupt elements the following day. Wuhan stated (Mar. 31) that in Hupeh the Farm Equipment Company called a rally Mar. 27 to demand restitution from corrupt elements. Several minor embezzlers returned their loot and exposed others, while Cheng Chen-hua gave back half of the 10 million yuan he took through graft and promised to return the remainder. Wuhan reported (Apr. 5) that in the Wuhan Federation of Cooperatives 75 percent of the grafters had made restitution, while some who at first sought to evade repayment had voluntarily changed their attitude and made restitution through fear of exposure by the investigation teams.

CASES OF CORRUPTION

Private Businessmen. Anshan announced (Apr. 4) that the Anshan Austerity Committee on Apr. 3 ordered the arrest of corrupt iron merchants Hsu Te-seng and Chiang Chi-chai, who had refused to confess. Chang Tien-kuei was given 2 days to confess or face arrest. Chinchow stated (Apr. 4) that the Austerity Committee had charged nine rice merchants with hoarding 100,000 tan of rice and causing the price to rise 27 percent in 1951 when 600,000 persons were suffering from famine; had accused leather merchants of causing a Government loss of 260 million yuan through hoarding; charged kerosene dealers with creating an artificial shortage in January 1951 by shipping out 3,300 cases of the 6,000 in stock at an illegal profit of 500 millions; and accused corrupt merchants of organizing a joint sales office for jointly bribing cadres and regularly dealing in opium, gold, silver, and other contraband goods.

Tsinan announced (Apr. 1) that Tsinan tea merchants Mu Shan-chen and Wang Chin-san had been arrested for forming eight tea trading firms to defraud the Tsinan branch of the China Tea Company of 9 billion yuan. Tsinan reported (Apr. 3) that Tsingtao merchant Lu Shan-chang corrupted Cadre Li Chi-shan, head of the supply section of the Tsingtao Water Works, and cheated the Government out of 500 million yuan on the purchase of supplies. Tsinan added (Apr. 5) that Tsingtao merchants Li Chin-kuei, Wang Chien-chi, and Lo Chin-shan had been exposed by the local Austerity Committee after an investigation of 20 days for forming mutual alliances to cheat the Government out of 1.8 billion yuan through contracts for supplies for the Tsinan Railway Bureau.

Shanghai announced (Mar. 31) that Wuhsi merchants had been charged with stealing 10 billion yuan worth of electric power since the Liberation. Shanghai reported (Apr. 5) that in Tsinan tea merchants Peng Chung-nien, Yeh Cheng-fan, Wang Chin-shan, and Pi Chi-yuen had been exposed as the ringleaders of the corrupt ring which infiltrated cadres into the China Tea Company to steal 9 billion yuan and exploit information for speculation. Hangchow stated (Apr. 5) that When Peng-chai, owner of a lumber yard, had been charged with making illegal profits of 1.5 billion yuan; that the President of the Hangchow branch of the China Tea Company embezzled 7 billion yuan; and that Chinghua construction firms defrauded the Government of 100,000 catties of rice in constructing buildings for the railway station. Chang Chang-ken, owner of a scissors shop, was executed Apr. 2, following confirmation of his sentence by the East China Superior Court, for killing his worker, Chen Lien-tung. Chang objected to Chen's union activities, and killed him Jan. 11; he was sentenced to death Jan. 25 by the local court.

Hofei reported (Apr. 1) that the Hofei Federation of Labor had demanded severe punishment for merchants Chen Kuo-chuan and Ling Shi-chi, who caused the death of shop clerk Wang Heng-fa. Kaifeng announced (Apr. 4) that Yi Chien-i, drugstore owner, had been arrested for refusing to confess to charges by his clerks that he sold fake drugs to the Government. Yao Fang-chi was arrested on charges of corruption amounting to 20 million yuan, selling 20 kinds of fake drugs, evading taxes, and corrupting nine cadres.

Wuhsi reported (Apr. 3) that corrupt merchant Li Chao-ling of Nanhui Hsien, Kiangsu, was given a public trial attended by 3,000 persons Mar. 30 and immediately executed for killing his clerk. When Li was originally sentenced by the Nanhui People's Court he appealed to the Superior Court, when he was paraded through the hsien with the people demanding his death. After the Superior Court upheld the verdict the public trial was called. Wuhsi said (Mar. 31) that Yen Chuen-ming, "reactionary gangster" accused of corrupting cadres and illegally dealing in gold, had been arrested. In Kiangnan Hsien, Kiangsu, Chung Pi-shan was charged with infiltrating his relative, Yang Ping-pao, into the hsien cooperative to use the organization as a tool to exploit the peasants. He used inside information for speculation, used cooperative funds to deal in gold and

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silver, and caused the capital of the cooperative to drop from 4 billion to 2 billion yuan. Through Yang other cadres were corrupted, with the ring causing the Government losses of more than a billion yuan. Wuhsi said (Apr. 4) that a dozen Wuhsi rice processors had used various devices to defraud the Government of 4 billion yuan in 3 years, in addition to evading taxes.

Nanchang reported (Apr. 1) that several local butchers had been arrested for illegally slaughtering 10,000 oxen in the past 2 years and evading 1.1 billion yuan in taxes. Nanchang stated (Apr. 5) that Hu Ping-chuen, accused of corruption amounting to 400 million yuan, and Li I-ming, Chen Yu-chang, Yang Tzu-ching, and Hua Chia-chiang, had been arrested in Fuchou, Kiangsi. Wuhan announced (Apr. 2) that 50 persons had demanded severe punishment for Cheng Heng-fu, who defrauded the Government of 500 billion yuan. Wuhan reported (Apr. 3) that corrupt merchant Li I-cheng, his wife, Ma Chin-hsi, and fellow merchant Wang Ling-seng, had been executed for the murder of Chang Lan-cheng, a shop clerk who exposed their corruption.

Canton announced (Apr. 2) that Canton druggist Chu Chien-hsiung had been charged by his entire staff with bribing 28 cadres in 24 offices and selling fake drugs. Canton said (Apr. 3) that the Chengchang Edible Oil Company had been charged with making 1.1 million Hong Kong dollars in the past 2 years by using inside information for speculation and by violating national trade policy. Chungking reported (Apr. 1) that lumber merchant Ho Ku-tan had been accused of illegally cutting lumber in the Erhlang Mountain area reserved for Government use and selling it at exorbitant profits in Tienchuan Hsien, Sikang. Peking in numeral code (Mar. 31) quoted Tientsin Mayor Huang Chin as saying evaded taxes in the city were as large as 30 percent of the Tientsin revenue; cheating on labor and material by contractors cost the Government as much as 30 percent of the revenue; and construction contractors cheated the Government out of as much as they paid in taxes.

Public and Party Officials. Dairen reported (Apr. 4) that in the Dairen branch of the China Cotton Textile Company more than half of the cadres had been charged with conniving with corrupt merchants to defraud the Government of 5.8 billion yuan, one cadre alone, Yang Hai-jen, taking hundreds of millions in bribes. Hangchow announced (Apr. 2) that King Tao-jen, Party member, had been expelled for corruption, and three others given a short time to make confessions to avoid arrest. Hangchow said (Apr. 4) that Lin I-chiao had been charged with embezzling 4.2 million yuan in Resist-America, Aid-Korea contributions and in relief allotments for Army dependents. Lin was sentenced to 10 years in prison for refusing to make restitution. Cadre Pao Yuan-chi was sentenced to 15 years for refusing to pay back 20 million yuan. Yangchow asserted (Apr. 2) that Government offices in northern Kiangsu had been successful in seeking restitution from corrupt elements through indoctrination and the organizing of teams to check on stolen funds. However, Wang Chin-hai was arrested for refusing to make restitution. Wuhsi announced (Apr. 3) that Judge Hsu Chia-ling of the Wuhsien People's Court had received presents and favors from convicts Ku An-yung and Wang Yu-hsun, inducing him to reduce Hsu Chin-erh's fine from 8 million to 1.5 million yuan and to sell confiscated goods worth 6 million yuan for one million. Wuhsi said (Apr. 4) that the South Kiangsu Party Committee had expelled Ho Kuang-chi, head of the Wuhsien Bureau of Construction, for defrauding the Government of 300 million yuan, living luxuriously, and refusing to obey the Party mandate to reform. Ho had been a Communist Party member for 10 years.

Hofei reported (Mar. 31) that Yang Chun-fang, cadre in the Kueichi, Anhwei, office of the People's Bank of China, had been charged with embezzlement of 131 million yuan and causing the Government to lose 265 millions in July 1949 when he took relief funds allocated for the relief of flood victims in southern Anhwei. Nanchang stated (Apr. 3) that in Chintechen city, Kiangsi, Yang Ja-jen, Wang Chin-lung, Chin Shao-lao, Chao Chin-hua, Yang Huen-hsiang, and Hua Ming-hai had been arrested for refusing to confess to corruption amounting to more than 10 million yuan each. Wuhan announced (Apr. 3) that the Wuhan University Austerity Committee on Apr. 2 handed over the head of the chemistry department for trial on charges of corruption. Chungking reported (Apr. 1) that Ti Chan-pe, cadre in the Wuchiang Lumber Company sawmill of Chengtu, had been charged with embezzling Government lumber. Peking said in numeral code (Apr. 4) that the Government Administrative Council of Central and South China had affirmed the dismissal for corruption of Ho Heng-fu, high official of the Central and South China Military and Administrative Committee.

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Chinchow reported (Apr. 5) that workers in the Number 5 Cement Plant had set new production records since the arrest of Yang Ssu-cheng, head of the packing section. Yang had urged workers to increase production, and last September more than 1,000 tons were produced, but not until Yang was arrested for embezzlement of Government property did the workers learn where the cement had gone.

ECONOMIC PROBLEMS

Effects of Anticorruption Drive. An increase was noted in claims that the anticorruption drive had improved efficiency and increased production. Dairen asserted (Apr. 1) that workers in the Dairen Jute Bag Mills, Dairen Shipyards, Port Arthur Machine Shops, Dairen Textile Mills, Dairen Railway Shops, Dairen Chemical Works, Dairen Glass Works, Dairen Power Plant, and Dairen Steel Mills had "increased their political consciousness" as a result of the anticorruption drive, and had improved their efficiency and increased production to "show their patriotism." Tsinan stated (Apr. 5) that 80 workers in the No. 2 Steel Mill of Tsinan as a result of the drive increased their political consciousness, and "now realize the attacks of the capitalists upon the working class and are united in their support of workers' unions."

Wuhsi claimed (Apr. 4) that the No. 1 Processing Mill of the South Kiangsu Food Company was establishing records in production as a result of the drive, as the workers "now realize the factory belongs to them, and they must not be wasteful." Pan Chin-ho, who used to be a trouble-maker, now was leading the workers in increasing production. Wuhan asserted (Apr. 5) that "to promote the drive" the Hsinhsiang Mining Bureau of Hunan reduced its accident rate and overfulfilled its February quota .013 percent and its March quota 2.6 percent. Chungking said (Apr. 1) that workers in the Nos. 1, 2, and 6 plants of the No. 101 Steel Mill, the No. 501 Power Plant, and the No. 612 Textile Mill of Chungking, in the Tahua Textile Mills of Kuangyuen, and in the Kweiyang Power Plant of Kweiyang, all overfulfilled their quotas as a result of the drive.

Similar claims of general improvement in production as a result of the drive were monitored from Anshan (Apr. 4); Mukden (Apr. 3-5); Dairen (Apr. 4); Tsinan (Apr. 4); Yangchow (Apr. 2); Wuhsi (Apr. 4); Sian (Apr. 1); and Wuhan (Apr. 2-4).

Other monitored broadcasts still admitted negative effects on production as a result of the anticorruption drive, or the necessity of reorganization and change to maintain production. Mukden reported (Apr. 1) that the Northeast Federation of Cooperatives called a meeting recently to discuss distribution of goods to hien cooperatives, when it was pointed out that local units should assign cadres to carry out normal business operations. Tsinan stated (Apr. 2) that the Tsinan Railway Bureau sent 1,500 cadres out to solicit business from merchants and cooperatives, loading 116,000 tons of cargo, including sand, stone, and lumber for construction and irrigation.

Shanghai reported (Apr. 4) that the Hangchow Austerity Committee issued a statement exhorting businessmen to carry on business as usual "regardless of their investigative status." The anticorruption drive "was not designed to eliminate the capitalist class," so businessmen should "drop their wait-and-see attitude." The Shanghai Talien Machine Shop contracted to produce machinery for the Huai River project, but found that as a result of the anticorruption drive the machinery could not be completed on time until the Austerity Committee went to the shop and urged the workers to step up their production efforts. Hangchow asserted (Mar. 31) that the Hangchow Transport Workers Union had organized teams to check on bus and truck operators to see that they operated productively. Hangchow said (Apr. 2) that in the Chekiang Ironworks special cadres had been assigned to "promote normal operations."

Yangchow announced (Apr. 3) that several hundred cadres had been sent to the Huaipei Salt Fields to increase production when the anticorruption drive stopped the middle of March. Wuhsi asserted (Apr. 1) that Tu Ya-lin, worker of 38 years' experience in power production, had been promoted to head the supply section of the Chinchiang Power Plant as a result of the anticorruption drive, and in gratitude introduced changes to save the plant 200 million yuan. Wuhsi said (Apr. 4) that in the Hsinyi Textile Mills of Changchou the workers had set norms for tiger hunting and production so the latter would not suffer. Wuhan announced (Apr. 4) that 14,000 shop clerks attended a meeting, when they were urged to promote production during the anticorruption drive, and check on merchants to see that they continued their productive enterprises. Kunming reported (Apr. 2) that the Yunnan Trade Department was promoting business by expanding operations in the rural areas, where large quantities of tin for export, sausage casings and bristles had been collected.

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Peking announced in numeral code (Mar. 31) that "reformed" Nanking merchants were receiving orders from the China Food Company, the China Cloth and Yarn Company, and the Nanking Trading Company.

Famine and Shortages. Hangchow stated (Apr. 1) that 369 peasant families in Chinghai Hsien, Chekiang, were suffering from famine, in the same area which suffered severely from famine last year. As "cadres were reluctant to do anything," model farmers had been sent into the area to organize the farmers for relief work by making fishing nets, while 8,000 catties of relief grain had been distributed. Kaifeng complained (Apr. 3) that 1,893 households in Pingyang Hsien, Honan, were found to be short of food, "while cadres took no action to promote the antidrought and farm production programs." Nanchang reported (Mar. 31) that the Party Committee of Linchuan Hsien, Kiangsi, had called a meeting to organize relief because "40 percent of the villagers are short of food and have no fertilizer or seeds for spring farming." Because of last year's drought the peasants already were 50 million catties short of grain, and this year's heavy snow destroyed 100,000 mou of ripe crops. Nanchang said (Apr. 3) that the Party Committee of Shangjiao Hsien, Kiangsi, had issued a directive calling upon cadres to save daily rice rations for relief of famine sufferers, and estimating they could save 450,000 yuan and 400 catties of rice by refraining from eating noodles or soup. Foochow announced (Apr. 3) that relief had been rushed to 458 families in the suburbs of Foochow, where 1,020 families were short of food.

Shanghai announced (Apr. 5) that the Wuhsi Food Bureau had ordered cadres to take better care of grain. Inspection teams reportedly had revealed many granaries in the area were in bad repair, were leaking, and much grain had spoiled. Nanchang reported (Apr. 5) that the Kiangsi Government had issued a directive Apr. 2 ordering half the cadres in various food bureaus to work with hsien rescue squads to repair granaries and save grain. In Chian and Hsaichiang Hsien many granaries were reported in disrepair, with much grain infected and rotting. Foochow said (Apr. 1) that the FUKIEN JIH PAO had published an attack on public grain warehousemen for neglect of duty, demanding punishment, improvement in warehouse inspection, and structural improvements in the warehouses. Much grain was reported rotting in Pucheng, Chienyang, Wuping, Changping, and Shanghang Hsien.

Hangchow reported (Apr. 1) that because of a seed shortage among one-fourth of the families in Hsiaooshan Hsien, Chekiang, cadres had called the farmers together to indoctrinate them with the need to cooperate to achieve maximum production.

Farm Production. All of the radios stressed the spring farm production program, with attention given to emulation plans, production quotas, bumper-crop models, fertilization programs, the digging of wells, building of water wheels and irrigation systems, organization of production offices and mutual-aid teams, and control of insects. Indoctrination of peasants was asked in some areas, and other difficulties were admitted.

Hangchow announced (Apr. 1) that cadres in Wuhsing Hsien, Chekiang, "had been ordered to correct their misconceptions" of the Government fertilizer policy. They had stopped the use of natural fertilizers and ordered farmers to buy fertilizers in accordance with the size of their farms or the number of persons in their families, with the result that orders for fertilizer had reached only 3.5 percent of the plan. Hangchow said (Apr. 2) that 67 farmers of Wuchiatus village, Shouchang Hsien, Chekiang, had ordered 22,400 catties of fertilizer, but failed to go through with the transaction because they had no money. The local Party secretary called a meeting and explained that the Government "favored a policy of private borrowing and lending among the peasants." Hangchow reported (Apr. 2) that the Wuhsien Special District Administrative Office called a meeting of directors of peasants associations and explained that "peasants have not enough confidence," and that better leadership at the hsien level was needed, as well as markets for native products and better drought prevention.

Nanchang stated (Apr. 2) that in Hupei Hsien, Shangjiao Hsien, Kiangsi, spring farm production was being promoted by private borrowing and lending of grain, but that some farmers with surplus grain "went around complaining of poverty, and were afraid to make loans for fear of being upgraded." Foochow complained (Apr. 2) that cadres in Yunhsiao Hsien, Fukien, "failed to show any solicitude toward the farmers." When one peasant sought the help of a cadre in borrowing an ox for spring farming the cadre said to him: "The Volunteers at the Korean front have overcome greater difficulties; why can't you do something?" Foochow reported (Apr. 3) that cadres had been sent to Chinchiang Hsien, Fukien, where 27,000 mou of paddy was in danger of drying up, with the loss of the spring rice crop.

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Sian announced (Apr. 3) that in Lantung Hsiang, Kaolan Hsien, Kansu, 50 mutual-aid teams had been set up to overcome the shortage of seeds and foodstuff. In one area of Kansu 210,000 catties of fertilizer was purchased "after general study to correct the misunderstanding of peasants and working cadres regarding chemical fertilizer." Chungking stated (Apr. 1) that in Tzuchung and Pingshan Hsien, Szechwan, after the Government policy on lending was explained, "many farmers overcome their hesitancy" and were willing to lend grain to poor farmers. Kunming said (Apr. 2) that in Chaotung Hsien, Yunnan, cadres had been lax in promoting spring farming, had taken a do-nothing attitude toward the antidrought program or had obstructed the work, and in Chu 6 even took an allocation of 10,000 catties of relief grain, converted it into cash, and deposited the money in the bank.

Plans for Improvement. Peking announced in numeral code (Mar. 31) that the Northwest and Southwest Military and Administrative Committees had set up committees for control of Government enterprises in accordance with the Central Government directive. Wuhan reported (Mar. 31) that the Central and South China Military and Administrative Committee had appropriated 50 billion yuan for construction and repair of Government dormitories, with work to start within a month; 10 billions for Wuhan road construction; and 4 billion yuan for relief, to be issued at once. Peking announced in numeral code (Apr. 3) that the Tientsin Government had allocated funds for construction of the first 30,000 of 50,000 workers' houses, with building of 10,000 to start in April.

Mukden announced (Apr. 4) that commercial shipping service between Harbin and Shaoyuan and Tungho would be inaugurated Apr. 11 "to encourage the interflow of goods." Mukden reported (Apr. 3) that officials of the Northeast Agriculture Department on Mar. 29 inspected and tested the first lot of horse-drawn farm implements to be produced in China. Agencies had been asked to popularize horse-drawn implements, as well as trailer-tractors, in the next 5 or 6 years, and present plans called for another 500 horse-drawn implements to be put into use this year, 200 to be imported and 300 made by the Mukden Implement Factory.

Esinan announced (Apr. 1) that coastal hsien of Shantung Province had reported the presence of two whales and a number of seal, and that "steps would be taken to develop this source of marine production." Hangchow reported (Apr. 3) that spring afforestation had been completed in the Chinhua Special District of Chekiang, with 3 million trees planted on 100,000 mou of land. Puchiang Hsien had planted 1.4 million trees, Lanchi Hsien 400,000, and Tungyang Hsien 450,000.

WAR PROBLEMS

Germ Warfare Propaganda. Peking announced in a home service broadcast (Apr. 3) that the International Association of Democratic Lawyers had released its conclusions on the use of bacteriological warfare and "other American war crimes in Korea," said that the Commission for Investigating American Use of Bacteriological Warfare had returned to Peking following its investigation in Northeast China, and charged that American planes continued to spread germs in North Korea Mar. 11-20. Chinchow asserted (Apr. 2) that large swarms of typhoid-bearing mosquitoes of the type found in Kamagata Prefecture, Japan, had been detected by the plague-prevention team of Chu 6, Chinchow, Mar. 5.

According to Yangchow (Mar. 31) the local Party Committee called a meeting of all propaganda cadres to indoctrinate and urge them in using all their efforts to promote the antibacteriological warfare campaign. Foochow reported (Mar. 31) that the militia of Fukien Province had issued a protest against American use of germ warfare. Foochow added (Apr. 2) that units of the People's Liberation Army and other organizations in Fukien had protested. Sian stated (Mar. 31) that in Yinchuan, Ninghsia, and Sining, Tsinghai, the "broad masses" had held rallies to protest use of germ warfare.

Preferential Treatment. Dairen reported (Apr. 4) that the local Department of Civil Affairs had issued a directive calling upon all local governments to promote the spring farming preferential treatment program. Mukden said (Apr. 2) that the TA KUNG PAO had stressed the importance of assisting dependents of servicemen with spring farming. The Heilungkiang Department of Civil Affairs issued a directive on helping servicemen's families on the farms. Mukden added (Apr. 6) that the Northeast China Military and Administrative Committee had issued a directive on the subject.

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Shanghai announced (Mar. 31) that mutual-aid teams, poor farmers, and dependents of servicemen would be given priority on a 9-billion-yuan farm loan in Anhwei for purchase of old-type farm tools, and 2 billions for the purchase of modern tools. Foochow announced (Apr. 1) that the Fukien Department of Civil Affairs had issued a directive calling upon the masses to assist dependents of Army men with their spring farming "as part of their patriotic obligations." As a result, peasants in Changlo Hsien organized labor teams at once to carry out the preferential treatment program.

War Heroes. Chungking announced (Mar. 31) that honors had been bestowed upon 32 natives of Szechwan who had been "gloriously martyred" with a certain division of the Chinese People's Volunteers in Korea. Six of the group received the Second Class Loyalty Award, as follows: Chu Hung-chuen, Wanhsien; Chen Hua, Pihsien; Lo Chung-hua, Hsuyung Hsien; Li Han-chang, Lohsien; Lo Te-hsun, Sheyung Hsien; and Ling Chien-fu, Anyeh Hsien. The remaining 26 received Third Class Loyalty Award, and included Pvt. Wen Chang-kuei, credited with shooting down an enemy plane with 12 shots; Li Chi-i, credited with shooting down an enemy plane with 10 shots from an antiaircraft gun; Pvt. Chou Hua-chi, who demobilized an enemy tank with 4 shots; and Chou Kuo-chiang, who damaged an enemy tank with 6 shots. Cpl. Ling Chien-fu, winner of the Second Class Award, held Hill 916 for 10 hours against 50 of the enemy, killing or wounding 42 of them.

LAND REFORM

Wuhan announced (Mar. 31) that the Central and South China Party Committee had issued a directive calling upon rural cadres to promote spring farming, intensify and complete the land reform program, land reform reinspection, and landlord liquidation by the end of May. Party Secretary Shao Ping-hsiang of the South China Bureau of the Party called upon cadres to "overcome their complacency" and complete the land reform program. The Hupeh Party Committee issued a directive ordering cadres to work with poor farmers to complete land reform, and criticized the "erroneous thinking" of some cadres that "poor and hired farmers cannot be relied on, and therefore there is no need to give them any attention." Wuhan said (Apr. 4) that several villages in the Wuhan suburbs had held exhibitions of goods confiscated from landlords, "exposing the trickery of landlords in hiding their goods." Wuhan announced (Apr. 6) that the Land Reform Committees of Central and South China, Hupeh, and Wuhan would jointly sponsor a land reform exhibition in May "to demonstrate the leadership of the Communist Party in the rise of the farming class."

Nanchang reported (Mar. 31) that in Chienchin Hsiang, Chu 6, Kaoan Hsien, Kiangsi, "a reactionary stronghold," counterrevolutionary Chu Nien-pao recently was executed for poisoning Village Chief Lo Ssu-fu. Although major lawless landlords in the area had been eradicated, "remnant reactionary elements" were able to remain underground "because of the anxiety of the cadres to wind up their work there." Nanchang asserted (Apr. 2) that 32 families in Liwu Hsiang, Chingho Hsien, Kiangsi, had repaired the area's irrigation system and increased production "because of the benefits they received from the land reform program." Nanchang added (Apr. 3) that in Shangjao Hsien, Kiangsi, tailors, carpenters, household servants, and blacksmiths had been carefully questioned in the search for the hidden wealth of landlords, with the result that 70 peasants delivered up goods hidden with them. In Shangyi Hsiang, Chu 1, Shangjao Hsien, 600 farmers met to organize a Farmers association as a celebration of completion of land reform Mar. 18.

Kunming reported (Apr. 2) that in Milo Hsien, Yunnan, the Party Committee called a meeting of cadres to "overcome their hesitancy in confiscating landlords' assets." The cadres complained that the work was hard, "the masses uncooperative, and the landlords severe." After indoctrination the cadres returned to organize the farmers and proceed with the confiscation work.

MISCELLANEOUS

National Minorities. Chungking announced (Mar. 31) that a Tibetan delegation from Sikang, which planned to tour China and call upon Chairman Mao, arrived in the city and was welcomed by high officials. Chungking said (Apr. 1) that Tibetans in Sikang, Szechwan, and Yunnan had organized horse transport caravans to promote tea, sugar, hides, wool, and herb trade, and had expressed their appreciation to the People's Government and the People's Liberation Army for being allowed to carry on this trade in peace and harmony. Kunming said (Apr. 6) that the Southwest Nationalities Affairs Commission had issued a directive on its 1952 program, calling for more cadre and cultural

training and establishment of autonomous areas. Canton announced (Apr. 4) that the 2d Medical Team of the Chinese Red Cross had trained 277 midwives for work in Hainan, and now was carrying on plague-prevention work there among the minorities.

Mao Tse-tung Essay. Hangchow announced (Apr. 3) that the CHEKIANG JIH PAO had carried Mao Tse-tung's essay, "Contradictions," along with a commentary by the Mao Tse-tung study class urging cadres to study the essay for a better understanding of Marxism-Leninism and Mao Tse-tung's theories. Taiyuan reported (Apr. 3) that the SHANSI JIH PAO carried "Contradictions" and urged all cadres to study it carefully.

Visit to USSR. According to Kaifeng (Apr. 3) model farmer Chao Pai-i was puzzled when he received a summons from the Nanyang Hsien, Honan, Party Committee, but later learned he had been selected to tour the USSR and "learn the advanced farming techniques of our Soviet elder brothers and transmit them to the Chinese."

Molested Graves. Nanchang said (Apr. 1) that cadres in Ani Hsien, Kiangsi, had been ordered immediately to "correct a serious situation" in connection with construction of an irrigation project. The work resulted in exposure of the graves, "much to the indignation of the villagers," and "bad elements are taking advantage of the situation to rob graves."